

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6775

BILL NUMBER: HB 1671

NOTE PREPARED: Feb 20, 2009

BILL AMENDED: Feb 19, 2009

SUBJECT: Nursing Scholarships.

FIRST AUTHOR: Rep. Michael

FIRST SPONSOR: Sen. Head

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that the nursing scholarship program applies to students who are in programs that lead to a degree that will allow the student to be licensed as a registered nurse. The bill requires a recipient of a nursing scholarship to agree in writing to work as a practicing nurse providing direct patient care for: (1) an acute care or speciality hospital; (2) a long-term care facility; (3) a rehabilitation care facility; or (4) a home health care entity. The bill also allows for continued nursing scholarship program eligibility of certain licensed practical nursing students until June 30, 2011.

Effective Date: (Amended) Upon passage; July 1, 2009.

Explanation of State Expenditures: (Revised) This bill can potentially impact expenditures from the Nursing Scholarship Fund to the extent that the qualifications are more restrictive. The bill specifies that after June 30, 2011, only individuals that (1) are in nursing programs that allow students to obtain licensing as a registered nurse and (2) agree to provide direct patient care in specific health care settings, will initially be eligible for scholarships. Individuals who received nursing scholarships before July 1, 2009, would still be eligible to renew scholarships until June 30, 2011, provided they meet eligibility criteria contained in current law.

Depending on the decisions of school administrators, the legislation may affect scholarships in the following ways; (1) additional scholarships may be available to other eligible nursing students or (2) current nursing students who previously received nursing scholarships and would remain eligible will receive larger scholarship amounts. It should be noted that any change in scholarship amounts per student in an academic year cannot exceed (1) the tuition expenses for an entire academic year or (2) \$5,000, whichever is less.

The State Student Assistance Commission reports that during academic year 2007-2008 there were 480 recipients of scholarships from the Nursing Scholarship Fund. The total scholarships awarded that year equaled approximately \$454,000, or \$950 per person. These scholarships were awarded to schools that have nursing programs that lead to certification as either a registered nurse or a license practical nurse. [Note: 45 schools identified by the State Student Assistance Commission provided registered nursing programs; however, 20 schools offered programs leading to certification as a registered nurse and a licensed practical nurse.] The number of scholarships were awarded to individuals who were in programs that lead to certification as a registered nurse as opposed to a licensed practical nurse was indeterminable. Awards to schools that only offered programs leading to certification as a registered nurse for the 2007-2008 academic year totaled approximately \$291,000 for 275 scholarships, or \$1,050 per scholarship. The estimated amount of nursing scholarships provided to students enrolled in non-registered nursing programs is between \$0 and \$163,000.

Background Information: Money in the Nursing Scholarship Fund does not revert to the state General Fund at the end of each fiscal year. The Fund consists of appropriations from the General Assembly and gifts. Appropriations made to the Fund were \$410,000 for FY 2008 and \$418,000 for FY 2009.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission.

Local Agencies Affected:

Information Sources: Yvonne Heflin, State Student Assistance Commission.

Fiscal Analyst: Bill Brumbach, 232-9559